

LNF & IHCIF Calculations Illustration **- COUSHATTA in Nashville area -**

Given Data

- 405 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 85.4% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,292 per person for purchased services = $90\% * 85.4\% * \$2,980$
- \$404 per person for in-house services = $10\% * 135.7\% * \$2,980$
- \$2,696 per person total = $\$2,292$ (purchase) + $\$404$ (in-house)
- **\$2,586 per person total** adjusted for health status = $\$2,696 * 95.9\%$
- **\$1,841 per person net cost** = $\$2,586 - \745 Other resources (M&M&PI)

Existing Expenditures (for 405 users excluding wrap-around and collections)

- \$1,595 per person = local IHS allowance (excludes \$ for wrap-around)
- \$154 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,803 per person for OU users** = $\$1,595 + \$154 + \$54$

LNF Calculation

- **69.7% Gross LNF** = $\$1,803$ (expenditures) / $\$2,586$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **97.9% Net LNF** = $\$1,803 / \$1,841$ net cost ($\$2,586 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 97.9% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

COUSHATTA Unmet Needs

- **\$745,671 Net Total Need** = 405 users * $\$1,841$ net cost
- **\$15,294 Net Unmet Need** = $(100\% - 97.9\% \text{ LNF}) * 405 \text{ users} * \$1,841 \text{ net cost}$